GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:521
ANSWERED ON:02.05.2002
FULL FREEDOM TO PIPELINE OWNING COMPANIES
GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether his Ministry has proposed full freedom to the petroleum companies, which own pipelines, on sharing their capacities with other companies after post-price deregulation ;

(b) if so, whether pipeline owning companies would be free to allocate their excess capacities to other companies after post-Administered Pricing Mechanism ; (

(c) if so, whether these proposals are part of the Ministry`s recommendations outlining the jurisdiction of the oil sector regulator; and

(d) if so, the time by which a final decision in this regard is likely to be taken ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 521 T ANSWERED ON 2ND MAY, 2002 REGARDING FULL FREEDOM TO PIPELINE OWNING COMPANIES.

(a) to (d) : Government have decided that the proposed Petroleum Regulatory Board (PRB) can declare a pipeline as common carrier or authorize an entity to lay, build, operate or expand a pipeline as a common carrier. While deciding so, the Board shall be guided by the objectives of promoting competition in marketing among entities, avoiding infructuous investment, maintaining or increasing supplies or for securing equitable distribution and availability of petroleum products and natural gas at fair price throughout the country.

It is proposed that the entity laying, building, operating or expanding a pipeline for transportation of petroleum products and natural gas shall have right of first use for its own requirement and the remaining capacity shall be used amongst entities as the Board may decide.
The Government have decided to introduce the Petroleum Regulatory Board Bill, 2002 in the current session of Parliament and the final decision on the establishment of PRB will depend upon the approval of Bill by the Parliament.